



OFFICE MEMORANDUM

DATE: September 19, 2008

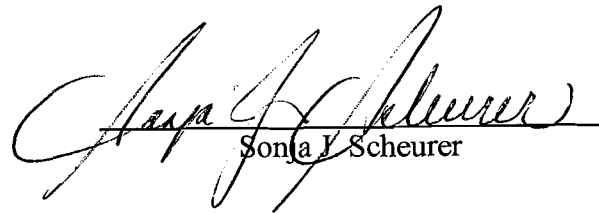
TO: Ed Timpf, Administrator
Financial Operations Division
Bureau of Finance & Administration

FROM: Sonja J. Scheurer, Administrator
Office of Operations Administrative Services

SUBJECT: Reporting Requirements for FY 2007-2008
Operating Appropriation Act

In accordance with Act No. 129, Public Acts of 2007, Section 601, we are required to report on the status of efforts to develop performance and road construction warranties. The attached document identifies the department's efforts in FY 2007-2008.

Please feel free to contact me at (517) 335-2258 if you have any questions or need further clarification.



Sonja J. Scheurer

cc: L. Tibbits
L. Hank
M. Frierson
J. Kraus
File

PERFORMANCE AND ROAD CONSTRUCTION WARRANTIES FY 2007 – 2008

The Michigan Department of Transportation (MDOT) continues to work with the road construction industries and its many other customers to develop performance and road construction warranties for construction projects as required by Public Act 129, Public Acts of 2007. Through this continued effort of partnering MDOT is able to improve the overall quality of the warranty program and thus improve the overall condition of Michigan's roads.

MDOT is completing a "Warranty Program Effectiveness Evaluation" and FHWA is performing an effectiveness evaluation of MDOT's warranty program. These two evaluations will provide a comprehensive review of the warranty program including the extent to which the stated program objectives are being met, benefits as related to project performance, cost savings, and cost expenditures. The final report will include recommendations for improvement that are identified during the evaluation.

MDOT has let an additional 160 plus warranty projects in the various categories since its last reporting. MDOT and the contracting industry continue to make use of the Statewide Warranty Administration Database (SWAD) to track and monitor the status of warranty projects.

MDOT will continue to explore new and innovative construction and contracting methods in order to provide the highest quality of an integrated transportation service for economic benefit and improved quality of life for all of our customers.